

## V. CONCLUSION AND IMPLICATIONS

### A. Conclusion

Based on the results of regression and discussion of this study, it can be concluded that:

- a. Investment variables have a positive and significant effect on the Output Manufacturing Sector in Java Island. So if there is an increase in the level of investment, it will increase the income of the manufacturing sector in Java Island because of the increase in investment that is able to increase capital stock in the long term which will increase the output that can be produced, meaning that investment is one way to increase the growth of the manufacturing sector in Java Island.
- b. Labor variables have a positive and significant effect on the Output Manufacturing Sector in Java Island. There is an influence of labor on the manufacturing industry because the number of labor in the manufacturing industry from year to year has increased where the increase in labor results in an increase in the productivity of the manufacturing industry.
- c. Road Infrastructure variables has no effect on the Output Manufacturing Sector in Java Island. With the road infrastructure built will make access from one area to another easier thus making costs Road Infrastructure variables have a has no effect on the Output Manufacturing Sector in Java Island. With the road infrastructure built

will make access from one area to another easier thus making costs cheaper. However, with adequate access to road infrastructure, it will affect the increase in the volume of other vehicles, so that road access is also increasingly crowded which in the future results in disruption of transportation access to delivery of raw materials to other regions.

## **B. Implications**

Based on the conclusions, the implications that can be presented in this study are as follows:

1. The growth of the manufacturing industry sector is strongly influenced by economic conditions because production activities depend on economic conditions. The government is expected to maintain the stability of the national economy in order to create a conducive investment climate with the hope that investment can continue to enter and increase the growth of the manufacturing industry sector. The government is also expected to further promote the potentials that exist in each province in Java Island that can bring investment. And the government can also facilitate licensing for investment and build communication with the private sector through information about investment.
2. With regard to labor, it is necessary to improve the quality of human resources (HR) working in the manufacturing industry through both through training before working in a more specific manufacturing

industry so that labor productivity is high, as well as by improving education.

3. The need for equitable and inclusive infrastructure development, meaning that infrastructure development must be felt by all communities, especially the manufacturing industry sector in Java, in order to encourage economic growth. Then the government can also develop creative ideas to be able to better use infrastructure properly and efficiently for maximum results.

### **C. Research Limitations**

The limitations of this study were only carried out on the island of Java, while provinces outside the region were not studied. The independent variable that the researchers took was only able to explain 87.3 percent of the dependent variable, there were 12.7 percent that could not be explained by other independent variables such as economic growth, inflation, productivity, and others. Thus the output of the manufacturing sector in Java Island cannot be explained as a whole, it is hoped that further researchers can examine factors that can affect the output of the manufacturing sector in other island regions by adding many new independent variables so that they can be used as comparisons with current research. This study took a period of 2013-2022 where in 2020, there was a COVID pandemic, so there was data instability which was a limitation in this study.